



To Shareholders and Investors
PERSOL REPORT

Full-year business report for the
fiscal year ended March 2019

April 1, 2018 to March 31, 2019

PERSOL HOLDINGS CO., LTD.
(Securities code: 2181)

Work, and Smile



Work, and Smile

PROFILE

Masamichi Mizuta

Representative Director,
President and CEO

Joined Tempstaff Co., Ltd. (presently, PERSOL TEMPSTAFF CO., LTD.) in 1988. Became Head of the Sales Headquarters and Director in 1995, Head of the East Japan Sales Headquarters and Executive Managing Director in 2006, Executive Vice President in 2010, and Executive Vice President and Representative Director in 2012. He has been in charge of the sales division throughout his career. In 2013, he assumed the post of President and Representative Director. He has also served as Chairman of the Japan Staffing Services Association, and Chairman of the Japan Association of Human Resources Services Industry. His motto is "Little Things Make a Big Difference."

Overview of FY 2019

While a sense of uncertainty about the future has been widespread in Japan in response to the increasing uncertainty in the world economy, the staffing services market continued to demonstrate strong demand on the back of the structural labor shortage. Under this market environment, the PERSOL Group achieved net sales of 925.8 billion yen and operating income of 44.1 billion yen in the consolidated fiscal year under review, mostly driven by the core businesses of temporary staffing and recruitment support as well as the PERSOLKELLY business outside Japan.

In the consolidated fiscal year under review, PERSOL TEMPSTAFF CO., LTD. in the Temporary Staffing/BPO segment acquired shares of Avanti Staff Corporation, converting it into a subsidiary. Avanti Staff Corporation is a staffing services company with customer bases centering on the Mizuho Group and the Marubeni Group and know-how on clerical work in the financial and trade industries. We will further improve corporate value by combining the company's expertise in attracting job seekers with the management base of PERSOL TEMPSTAFF.

In pursuit of the value of human intervention through the use of technologies

The evolution of technology contains unrevealed possibilities for the dramatic transformation of the staffing services business. By positively using

technology, we pursue further growth of the existing businesses in terms of the improvement of precision in matching. Moreover, we will take on the challenge of creating new value with a 10- or 20-year outlook.

In April 2019, we established a new company, PERSOL INNOVATION CO., LTD., as a driver for creating businesses that will become cornerstones for future generations and promoting innovation development. We will endeavor to cultivate new businesses and reform the existing businesses more effectively than ever before, and develop businesses at a speed exceeding that of startup businesses.

It should be noted, however, that the staffing services business has a significant component that can only be supported by actual humans. That is, only human beings can predict the degree to which workers will be a good fit for a company, or give advice from the people side. Going forward, we will continue to increase the appeal of human workers, and pursue the value of human intervention.

Seeking a society in which everybody can realize the slogan "Work, and Smile"

Creativity to generate new value as well as adaptability to respond to new developments are indispensable for a company to continue to grow in these times of dramatic change. We believe that their source can be found in the diversity of a company's workforce. Under the slogan "Diversity, Inclusion & Equality"* ("DI&E"), the PERSOL Group acknowledges the diversity of the employees of its Group companies, and has started to work toward promoting diversified work styles and supporting various career paths. As part of these initiatives, we lifted the ban on the parallel work system and organized a flexible working system in April 2019. Underlying these initiatives is our wish that we, as a staffing services business operator, will become a role model for both companies and working people by taking the lead in implementing diversified work styles. Going forward, the PERSOL Group will continue to work to realize a society in which all people can materialize our slogan, "Work, and Smile," by respecting the diversity of working people and supporting each person in his or her work.

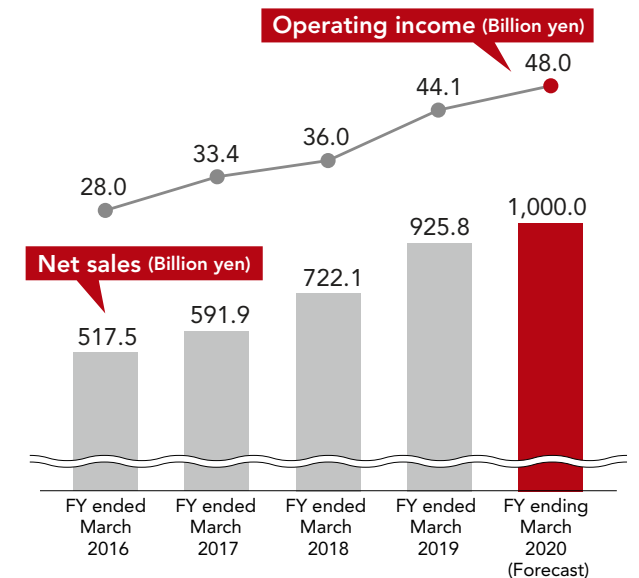
* Diversity: Equal opportunity of employment, diversified work styles, etc.
Inclusion: Comprehensiveness and respect for individuals
Equality: Equal treatment in terms of rights and benefits

Financial Highlights

(Highlights of the consolidated fiscal year ended March 2019)

Record-high performance in both net sales and operating income

Net sales 925.8 billion yen UP 28.2% Y-O-Y	Operating income 44.1 billion yen UP 22.3% Y-O-Y
Profit attributable to owners of parent 24.3 billion yen UP 213.5% Y-O-Y	Interim dividend per share 15 yen



New advertisement for “PERSOL: General Manager of Japan’s Human Resources Dept.” campaign launched in April.



テンパスタッフ an doda

“PERSOL: General Manager of Japan’s Human Resources Dept.” will totally transform work in Japan.

Since the birth of the PERSOL brand in July 2016, we have widely shared with society our wish to stand by all working people by demonstrating our slogan, “Work, and Smile.”

In our new promotion, Mr. Uchimura,* who is widely viewed across Japan as the ideal boss, appears as our celebrity spokesman. This promotion expresses our strong desire as one of the largest comprehensive staffing services companies in the country to be the “general manager of the HR Dept. of Japan” that supports all aspects of working.

For the purpose of improving brand awareness as well as ensuring a better understanding of our services, we will share our intention to assist our customers through a wide array of services offered in Japan and abroad by temporary staffing services company Tempstaff, job information website “an” for temporary and part-time workers, and the job-changing support service “doda,” as well as IT outsourcing, design and development, etc. At the same time, we will work harder than ever to realize our slogan, “Work, and Smile.”

Press conference for public presentation of the new commercial



A giant business card was presented by Deputy President Takahashi to celebrate Mr. Uchimura becoming our celebrity spokesman.

Informally appointed employees of PERSOL Group companies are keenly asking Mr. Uchimura several questions, such as “What type of people do you want to work with?”



The TV commercial shows the names of our service brands and impressive poses of the “General Manager of Japan’s Human Resources Dept.” that you won’t be able to resist mimicking.



Please scan the above QR code to view the commercial.

* Voted no. 1 for three consecutive years in the “My ideal boss” questionnaire survey (by Meiji Yasuda Life Insurance Company).

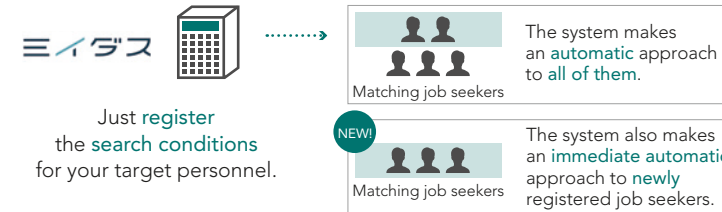
As accepted work style practices and hiring needs change, the PERSOL Group has accelerated its initiative to create new businesses. Aiming to realize further growth, new services have been launched.

ミイダス

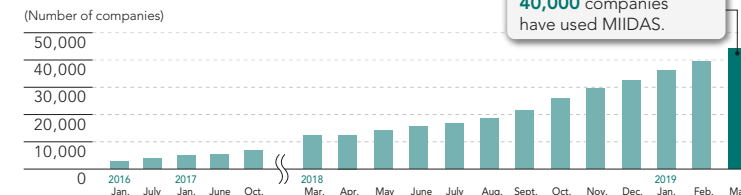


“MIIDAS” is a new type of mid-career recruitment service platform developed by the PERSOL Group with the aim of responding to the needs of corporate customers wishing to efficiently secure competent human resources. Customers can directly approach job seekers efficiently and for a low cost. This platform offers enhanced support to reduce man-hours for both companies and job seekers. As of March 2019, the number of registered job seekers exceeded 250,000, and more than 40,000 companies ranging from large corporations to small and medium-sized companies and venture capital firms have used this platform. In May 2019, a new matching function was released based on the MIIDAS aptitude tests, which diagnose competency and personality. MIIDAS will perform matching from new perspectives in addition to the use of work experience and information on skills.

Direct approach system

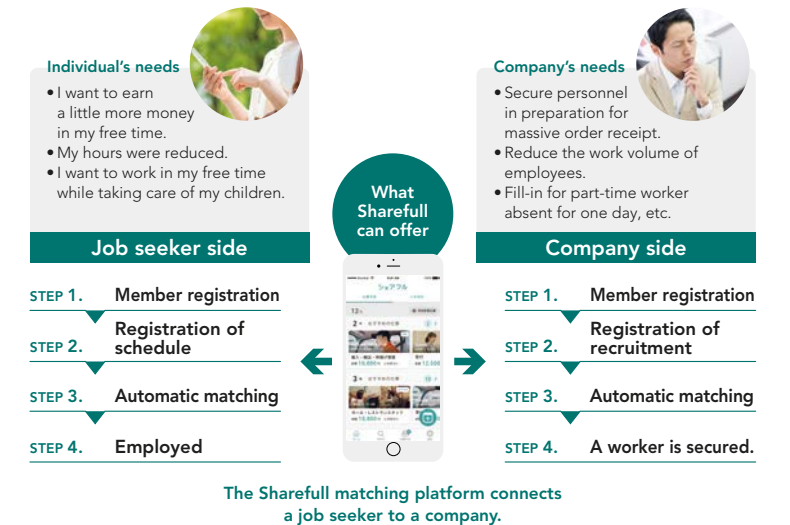


Actual number of companies that introduced MIIDAS



シェアフル

As life plans change and diversify, the ways in which people work has also been changing significantly. It is no longer the norm for people to spend their entire career working for one company, and the realization of work styles that can be customized to the individual as well as a sharing of the labor force across Japan are required. In view of this situation, the PERSOL Group has begun to operate “Sharefull,” an on-demand matching platform specializing in short hours and short-term contracts to connect individuals seeking flexible working hours with companies wishing to utilize human resources only as needed and for specific tasks. Under the slogan “Convert your spare time into money,” Sharefull is aiming at realizing a society in which different work styles can be selected irrespective of employment status and social practices.



Diversity, Inclusion & Equality

“Differences” give rise to future possibilities.
Why PERSOL takes aggressive steps to promote diversity.

The PERSOL Group has promoted its “Diversity, Inclusion & Equality” (“DI&E”) initiative since April 2019 for the purposes of promoting various work styles and supporting various career paths.

Background to the birth of PERSOL’s DI&E

The PERSOL Group has been active in increasing staff on the back of business expansion and exchanging human resources among its Group companies through the “Career Challenge” internal recruitment system. We believe that a corporate culture of understanding and embracing the sensibilities, ways of thinking and position of all of our staff members with their different values is essential for each person to better demonstrate their capabilities. Upholding the brand slogan of “Work, and Smile,” the PERSOL Group has decided to take on the challenge of creating organizations in which diversity is accepted and various types of people can make active contributions.

What is the PERSOL DI&E SPIRAL?

The PERSOL Group looks at diversity from the three perspectives of “Attributes,” “Values” and “Capabilities.” The starting point is understanding the differences we have in terms of Attributes, such as gender, age and nationality. Based on that, we will build an environment in which individuals can live their best lives by understanding the different Values we hold, such as our views on life, family and career, and by accepting these differences. Under these circumstances, if we further develop and use our Capabilities, such as our knowledge, skills, discernment and experience, we will come up with new ideas and acquire new wisdom that will change the way existing services are provided and help us create new services. We seek to establish our corporate culture by materializing our Group vision, thereby enhancing and accelerating synergies of our diverse capabilities to create positive cycles.

Case studies of the initiatives based on the concept of DI&E



Introduction of the “Parallel work” system

Implemented with the aim of facilitating personal growth and returning experience, a sense of value and skills to society.



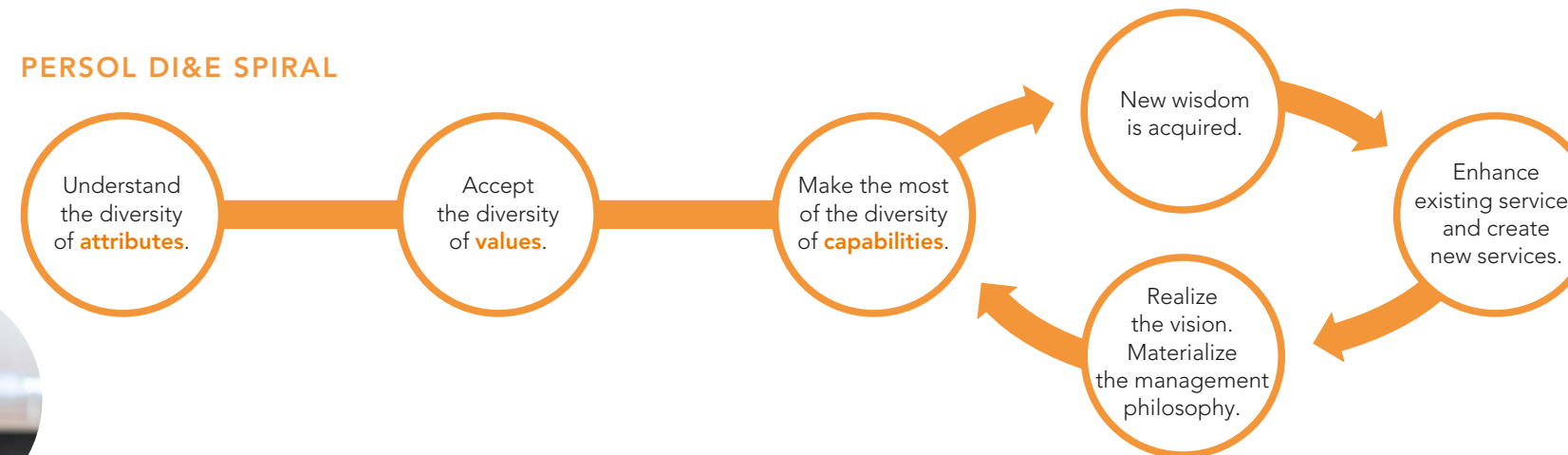
Promotion of flexible working

Introduction of flexible working systems such as flextime

What PERSOL can do for society

The human resources policy of the PERSOL Group advocates the “ADVANCED HR SHOWCASE,” meaning the creation of forward-thinking models in the HR domain. In order to realize a society in which various types of people can participate, the PERSOL Group will take the lead, and will share stories of our successes—as well as the difficulties we experienced—with our customers and others. By doing so, we will disseminate our experiences.

PERSOL DI&E SPIRAL

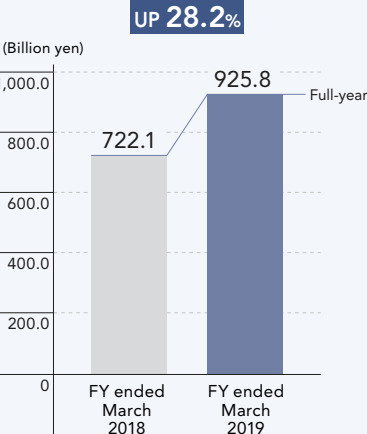


For further details of our initiatives based on the concept of “Diversity, Inclusion & Equality,” please scan the QR code on the right.



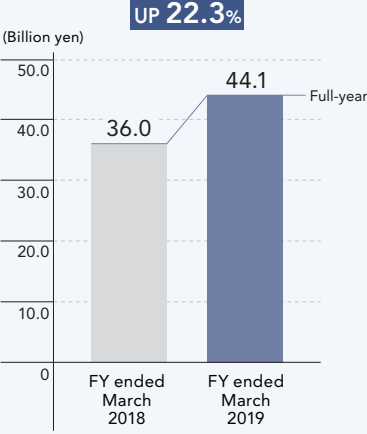
Net Sales

Amid the mild recovery trend in the Japanese economy, the human resource services market as a whole showed a robust growth trend, with significant demand due to the labor shortage. The PERSOL Group witnessed strong performance in each human resource service business, notably growth in the number of employment contracts for recruitment support business. Furthermore, reflecting the brisk market environment in APAC countries, the PERSOLKELLY segment grew steadily. Due to the addition of the PROGRAMMED segment, net sales for the consolidated fiscal year under review grew 28.2% year on year to 925.8 billion yen.



Operating Income

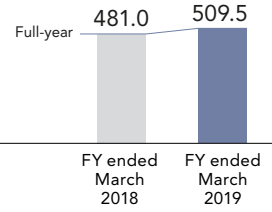
Despite the increase in costs for the integration in the Group, including the consolidation of subsidiaries in the Temporary staffing/BPO segment, we strived to improve productivity and raised invoice unit prices in the temporary staffing/BPO. Highly profitable recruitment support business grew significantly in both the Recruiting and the PERSOLKELLY segments. As a result, operating income grew 22.3% year on year to reach 44.1 billion yen.



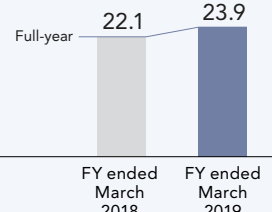
Temporary Staffing/BPO segment

Demand continued to be at a high level, reflecting robust corporate performance and a structural labor shortage. This contributed to the growth in net sales to 509.5 billion yen. Operating income reached 23.9 billion yen, mostly due to the increase in referral fees following the revision of related laws requiring our corporate customers to employ workers directly, as well as our efforts for cost control including selling, general and administrative expenses despite the increase in costs arising from the integration of subsidiaries.

Net Sales UP 5.9%
(Billion yen)



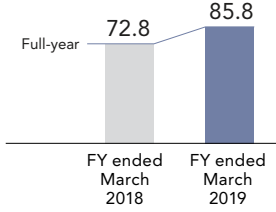
Operating Income UP 8.5%
(Billion yen)



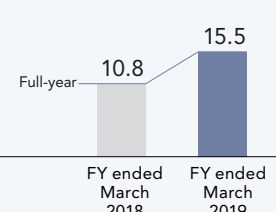
Recruiting segment

Net sales rose significantly to 85.8 billion yen as a result of an increased number of concluded employment contracts, mainly in the recruitment support business, driven by strong needs for human resources. The increase in net sales exceeded the cost for reinforcement of sales systems, such as marketing expenses arising from the rebranding of “doda” and personnel investments, resulting in a significant rise in operating income to 15.5 billion yen.

Net Sales UP 17.8%
(Billion yen)



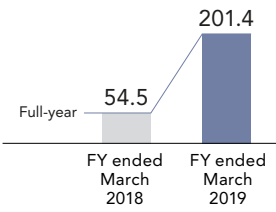
Operating Income UP 43.9%
(Billion yen)



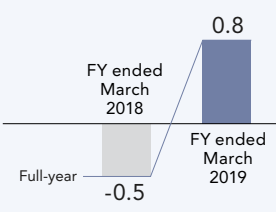
PROGRAMMED segment

Net sales were 201.4 billion yen, reflecting the contribution of orders received from airports and university-related facilities despite the decrease in orders received from existing customers amid the changing competitive environment of the staffing services business. Meanwhile, operating income was 800 million yen as a result of reducing operation costs.

Net Sales
(Billion yen)



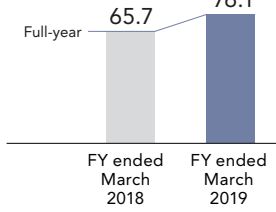
Operating Income
(Billion yen)



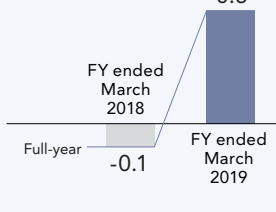
PERSOLKELLY segment

Net sales increased to 76.1 billion yen as a result of the aggressive expansion of sales systems for the brisk market environment in the APAC region. Operating income increased to 500 million yen due to growth in services centering on recruitment support, overcoming an increase in labor costs that was attributable to the improvement of systems, etc.

Net Sales UP 15.7%
(Billion yen)



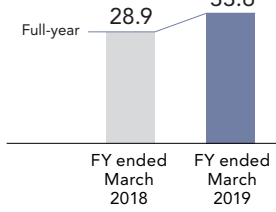
Operating Income UP 388.6%
(Billion yen)



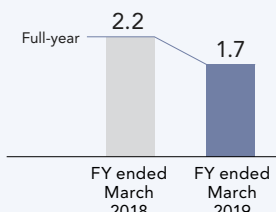
ITO segment

Net sales increased to 33.6 billion yen as a result of the hiring of engineers in response to robust demand, including growing corporate system investments. Operating income was 1.7 billion yen, reflecting the increases in costs for improvements of treatments and expenses required for aggressive business expansion.

Net Sales UP 16.1%
(Billion yen)



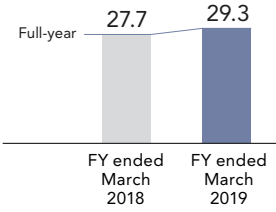
Operating Income DOWN 24.8%
(Billion yen)



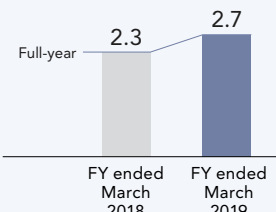
Engineering segment

Net sales grew to 29.3 billion yen as a result of robust orders received from corporate customers on the back of favorable demands for development centering on automobiles and construction machinery-related industries. Operating income also increased to 2.7 billion yen, supported by steady growth in orders received.

Net Sales UP 5.6%
(Billion yen)

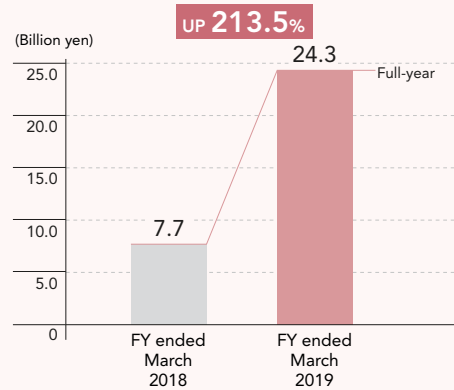


Operating Income UP 16.8%
(Billion yen)



Profit Attributable to Owners of Parent

Profit attributable to owners of the parent company for the fiscal year ended March 2019 was 24.3 billion yen, a year-on-year increase of 213.5%, due to the increase in operating income.



Dividend per Share

Based on our dividend policy, we had planned to pay a year-end dividend of 10 yen per share for the fiscal year ended March 2019. However, in consideration of the business performance and financial conditions, etc. as a whole, we have decided to increase the dividend by 5 yen per share to 15 yen per share.

(Yen)	FY ended March 2018	FY ended March 2019
First six-month period	9.00	10.00
Year-end	10.00	15.00

Balance Sheet

	March 31, 2018	March 31, 2019	Change
Assets	402.3	370.8	(31.4)
① Current assets	230.5	209.8	(20.7)
Cash and deposits	89.6	69.0	(20.5)
Non-current assets	171.7	160.9	(10.7)
② Trademark and goodwill	113.2	101.8	(11.4)
Liabilities	242.3	199.9	(42.4)
① Current liabilities	217.1	144.9	(72.1)
Current portion of long-term loans payable	89.9	15.0	(74.8)
① Non-current liabilities	25.2	54.9	29.7
Long-term loans payable	15.7	25.7	10.0
Net assets	159.9	170.9	10.9
Shareholders' equity	145.5	155.5	10.0
Capital stock	17.4	17.4	0
Capital surplus	20.1	20.3	0.2
③ Retained earnings	105.9	125.6	19.6
Non-controlling interests	14.4	15.3	0.8

POINT 1
Short-term loans payable were partly repaid in cash, and the remaining balance was refinanced by long-term loans payable by issuing corporate bonds (converting into long-term loans payable).

POINT 2
Decreases due to amortization and foreign currency translation

POINT 3
Increases due to growth of profits



Please visit our website for more detailed IR information.

The website of PERSOL HOLDINGS: <https://www.persol-group.co.jp/>

Company Profile

(As of March 31, 2019)

Company Name:	PERSOL HOLDINGS CO., LTD.
Established:	October 1, 2008
Head Office:	1-15-5 Minami-Aoyama, Minato-ku, Tokyo, Japan
Registered Head Office:	2-1-1 Yoyogi, Shibuya-ku, Tokyo, Japan
Type of Business:	Management planning, administration and operations related to subsidiary and group companies that handle temporary staffing and placement services
Capital:	17,479 million yen

Members of the Board

(As of March 31, 2019)

Chairman Emeritus	Yoshiko Shinohara
Representative Director, President and CEO	Masamichi Mizuta
Director, Deputy President, and COO	Hirotoishi Takahashi
Director, Senior Executive Officer	Takao Wada
Director, Executive Officer	Toshihiro Ozawa
Director, Executive Officer	Kiyoshi Seki
External Director	Ryosuke Tamakoshi
External Director	Peter W. Quigley
Director	Hiroshi Shimazaki
External Director	Naoshige Shindo
External Director	Naohiro Nishiguchi
Executive Officer	Chisa Enomoto
Executive Officer	Daisuke Hayashi
Executive Officer	Hiroataka Mino
Executive Officer	Taro Mineo
Executive Officer	Takayuki Yamazaki
Executive Officer	Koichi Yokomichi
Executive Officer	Mikio Miyamura
Executive Officer	Kazunari Kimura
Executive Officer	Toshiyuki Takakura
Executive Officer	Shinji Masaki
Executive Officer	Yu Senoo

Stock Information

(As of March 31, 2019)

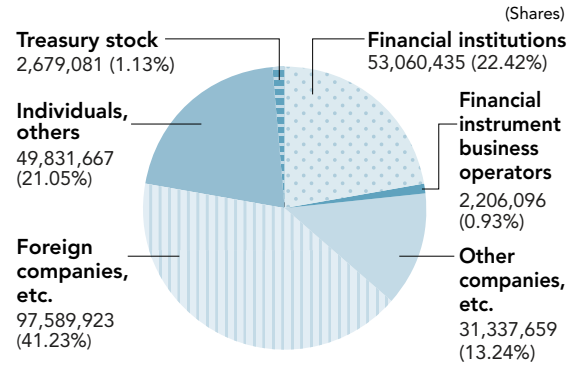
- Authorized number of shares 720,000,000
- Total number of shares issued 236,704,861
- Number of shareholders 10,480
- Major shareholders

Name of shareholder	Number of shares held	Shareholding ratio (%)
Yoshiko Shinohara	26,331,600	11.25
The Yoshiko Shinohara Memorial Foundation	15,800,000	6.75
Japan Trustee Services Bank, Ltd. (Trust Account)	12,073,700	5.15
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,786,300	5.03
Kelly Services Japan, Inc.	9,106,800	3.89
JP MORGAN CHASE BANK 385632	6,978,193	2.98
THE CHASE MANHATTAN BANK 385036	4,232,500	1.80
Yoshimi Shinohara	4,228,400	1.80
Japan Trustee Services Bank, Ltd. (Trust Account No. 5)	3,748,900	1.60
MUFG Bank, Ltd.	3,696,000	1.57

* The shareholding ratio is calculated based on the number of shares (234,025,780) obtained by deducting the number of shares in the treasury stock from the total number of shares outstanding.
* The shareholding ratio (%) is rounded down to the second decimal place.

Distribution of Shareholders

(As of March 31, 2019)



* The shareholding ratio (%) is rounded off to the second decimal place.

Shareholder Information

Business year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Late June
Record dates	Annual general meeting of shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30
Administrator of shareholders' register Special account management institution	Mitsubishi UFJ Trust and Banking Corporation
Contact	Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, JAPAN Telephone; 0120-232-711 (Toll free available only in Japan) URL https://www.tr.mufg.jp/daikou/
Stock listing	Tokyo Stock Exchange, First Section
Public notices	Electronic public notice The website of the public notice: https://www.persol-group.co.jp/ (If electric public notices are not possible due to accidents or other unavoidable circumstances, announcements will appear in the Nihon Keizai Shimbun newspaper.)

Procedures for Shares

Shares registered in the accounts of securities companies

■ Procedures, inquiries, etc.	■ Contact
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after the expiration of the payment period <input type="radio"/> General inquiries about administrative work relating to shares	Administrator of shareholders' register Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, Japan Telephone: 0120-232-711 (Toll free available only in Japan)
<input type="radio"/> Procedures and inquiries other than those stated above, such as changes in address, name, etc.	Please contact your securities company.

Securities registered in the special account

■ Procedures, inquiries, etc.	■ Contact
<input type="radio"/> Requests for transfer from a special account to a general account <input type="radio"/> Changes in address, name, etc. <input type="radio"/> Inquiries about account balance <input type="radio"/> Designation of method for receiving dividends ^(*)	Special account management institution Custody Service Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu City, Tokyo 183-0044, Japan Telephone: 0120-232-711 (Toll free available only in Japan)
<input type="radio"/> Inquiries about the sending and returning of mails <input type="radio"/> Inquiries about dividends after the expiration of the payment period <input type="radio"/> General inquiries about administrative work relating to shares	Administrator of shareholders' register <div> Method for requesting procedural documents <input type="radio"/> Download documents online: https://www.tr.mufg.jp/daikou/ </div>

(*) Shareholders holding shares registered in the special account may not choose the method of receiving dividends in proportion to the number of shares held.



JPX-NIKKEI 400

PERSOL HOLDINGS was selected as a component of the JPX-Nikkei Index 400 in August 2014.

What is the JPX-Nikkei Index 400?

It is a new stock price index composed of stock of companies that meet the requirements of global investment standards, including the effective use of capital, an investor-conscious management viewpoint, etc., which was established with the aim of promoting the attractiveness of Japanese companies to both investors at home and abroad.



PERSOL Minami-Aoyama Bldg., 1-15-5 Minami-Aoyama, Minato-ku, Tokyo, Japan Telephone: +81-3-3375-2220

* Matters stated in this report include statements concerning the Company's plans and forecasts for the future. Actual earnings may differ materially from the statements due to a variety of factors, and the statements do not mean that we promise to achieve these figures.

All people pictured on the front cover are employees of the PERSOL Group (as of March 2019).



This printed product uses FSC®-certified paper and vegetable-oil-based ink.